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**Hearing Date and Time:**  
December 19, 2019 at 11:00 a.m.

*Attorneys for Counsel Financial II LLC, LIG  
Capital LLC, and Counsel Financial Holdings LLC*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK  
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In re:

Chapter 11

LIDDLE & ROBINSON, LLP,

Case No. 19-12346 (SHL)

Debtor.

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**OBJECTION BY COUNSEL FINANCIAL II LLC, LIG CAPITAL LLC, AND  
COUNSEL FINANCIAL HOLDINGS LLC TO (I) FIRST APPLICATION OF  
FOLEY HOAG LLP FOR INTERIM ALLOWANCE OF COMPENSATION  
AS COUNSEL TO THE DEBTOR [DOC 152]; (II) FIRST APPLICATION OF  
THE BENEFIT PRACTICE FOR INTERIM ALLOWANCE OF  
COMPENSATION AS BENEFITS CONSULTANT TO THE DEBTOR [DOC  
153]; AND (III) FIRST INTERIM APPLICATION OF EISNERAMPER LLP,  
AS ACCOUNTANTS TO DEBTOR [DOC 154]<sup>1</sup>**

TO THE HONORABLE SEAN H. LANE,  
UNITED STATES BANKRUPTCY JUDGE:

Counsel Financial II LLC (“CF2”), LIG Capital LLC (“LIG”), and Counsel Financial Holdings LLC (“Holdings” and together with LIG and CF2, collectively “Counsel Financial”), by their attorneys, Davidoff Hutcher & Citron LLP, submit the following objection to the (i) first application of Foley Hoag LLP (“Foley”) for interim allowance of compensation as counsel to the Debtor [Doc. 152], (ii) first application of The Benefit Practice (“Benefits Practice”) for

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<sup>1</sup> References to “Doc.” refer to documents filed on the docket in this case.

Interim Allowance of Compensation as Benefits Consultant to the Debtor [Doc. 153], and (iii) first interim application of EisnerAmper LLP (“EisnerAmper”) [Doc. 154] and represent and state:

1. Counsel Financial incorporates by reference the objections it previously filed to the monthly statements of Foley [Doc. 128], Benefits Practice [Doc. 150], and EisnerAmper [Doc. 151] (collectively the “Prior Objections”), as if set forth in full herein. (Copies are attached as Exhs. A, B, and C).

2. In addition to the points and authorities in the Prior Objections, showing why no payments of interim compensation should be made at this time, additional grounds have recently arisen. Specifically, the Debtor recently filed monthly operating reports (the “MORs”) for July, August, September, and October of 2019 with the bank statements heavily redacted. The filing of such redacted MORs is extraordinary event and very concerning. An explanation has been requested from Debtor’s counsel but, to date, Counsel Financial’s attorneys have received no response.

3. Counsel Financial is concerned there may be improper transactions that are being concealed.<sup>2</sup> Until there is an opportunity for a thorough and complete review of the Debtor’s DIP account, as well as the DIP account in the related case, previously used by the Debtor, no payments of compensation to professionals should be made.

4. Additionally, three motions to convert this case to a chapter 7 liquidation have been filed and those motions are scheduled for December 19<sup>th</sup>, the same date as the hearing on

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<sup>2</sup> Upon information and belief, certain income and expenses relating to a racquet club membership the Debtor’s principal shared with others was run through the Debtor’s account. While these transactions may not be for large sums, they are indicative of the reason why a third party, other than EisnerAmper, needs to review the Debtor’s transactions.

these fee applications. Before any ruling is made on these fee applications, they should be reviewed by any trustee appointed in this case.

5. Counsel Financial's review of these fee applications is continuing and reserves its rights to supplement or amend this objection.

6. In accordance with the foregoing, no awards of interim compensation should be made at this time and no payments should be approved.

Dated: New York, New York  
December 12, 2019

DAVIDOFF HUTCHER & CITRON LLP

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